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**FORMER PRESIDENT AND FORMER TRUSTEE OF MAILERS UNION
PLEAD GUILTY IN MANHATTAN FEDERAL COURT
TO EMBEZZLING UNION FUNDS**

PREET BHARARA, United States Attorney for the Southern District of New York, and RALPH E. GERCHAK, the New York District Director of the U.S. Department of Labor's Office of Labor-Management Standards ("DOL-OLMS"), announced today the guilty pleas of WAYNE MITCHELL and LARRY DeANGELIS in connection with two separate schemes to embezzle funds from the Communication Workers of America Union, Local 14170, (the "Mailers Union"), a local union that represents mailroom employees of New York-based newspapers, including, among others, *The New York Times*, the *New York Post* and the *New York Daily News*.

According to documents filed in Manhattan federal court and statements made at the plea proceedings of MITCHELL and DeANGELIS:

Between October 2004 and May of 2008, MITCHELL was the president of the Mailers Union. In 2007, a long-time union member (the "Whistleblower") asked Mailers Union officers for copies of the union's LM-2 forms (the "LM Reports") filed annually with the Department of Labor. The 2004 LM Report revealed disbursements to an employee whose name was previously unknown to union members and appeared to be fictitious. Moreover, the 2006 LM Report reflected a salary of \$200,000 for MITCHELL - an amount substantially above the maximum salary allowed under the union's constitution. At a February 2008 Mailers Union board meeting, when questioned about his salary by the Whistleblower and others, MITCHELL claimed that his salary was mistakenly overstated on the 2006 LM Report, and that a new accountant would file an amended report.

In June 2008, MITCHELL stepped down as president of the Mailers Union and a temporary administrator, LARRY DEANGELIS, was appointed to manage the Mailers Union's financial affairs.

Shortly after DeANGELIS began managing the Mailers Union's finances as the temporary administrator, the Mailers Union retained a forensic accountant to analyze its financial records. The accountant determined that the Mailers Union owed more than \$200,000 in federal taxes, and was in arrears several hundred thousand dollars to a number of other entities, including the New York State Department of Labor and the Local 14170 Pension and Welfare Fund. Moreover, the forensic accountant determined that MITCHELL received compensation totaling at least \$425,000 for fiscal years 2005 and 2006. MITCHELL also wrote checks to himself and his associates in excess of \$200,000 from October 2006 through 2008, while simultaneously bouncing more than \$180,000 in check payments to union creditors, including the payroll company.

In early 2010, MITCHELL was interviewed by DOL-OLMS investigators and admitted that he embezzled union funds. Specifically, MITCHELL told investigators that he received at least approximately \$200,000 in unauthorized payroll checks between October 1, 2004, and May 30, 2008, and embezzled additional union monies by falsely claiming personal expenses as union-related bills.

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MITCHELL, 58, of Fairless Hills, Pennsylvania, pleaded guilty on April 21, 2010, before United States District Judge ALVIN K. HELLERSTEIN and faces a maximum sentence of five years in prison. He is expected to be sentenced on September 8, 2010.

DeANGELIS entered a guilty plea today in Manhattan federal court to a one count Information, charging him with a separate scheme to embezzle funds from the Mailers Union, from the time he became the temporary administrator in June 2008 until his resignation in September 2009.

In his plea allocution, DeANGELIS admitted embezzling thousands of dollars from the Mailers Union while serving as the temporary administrator by cashing thousands of dollars in checks written by DeANGELIS to himself without authorization. As part of his scheme, DeANGELIS fraudulently obtained reimbursement for expenses that he did not, in fact, incur.

DeANGELIS, 52, of Franklin Square, New York, faces a maximum sentence of five years in prison. DeANGELIS is scheduled to be sentenced by United States District Judge RICHARD M. BERMAN on July 28, 2010.

U.S. Attorney PREET BHARARA stated: "Twice in a row, the City's mailroom employees were betrayed by the corrupt leadership of Wayne Mitchell and Larry DeAngelis, two executives who served the Mailer's Union on separate occasions. Instead of sorting the mail, they sorted union funds into their own pockets. This week's guilty pleas are another step in our joint efforts with the Department of Labor to enforce the laws that protect union workers."

DOL-OLMS District Director RALPH E. GERCHAK stated: "These investigations and prosecutions are part of an ongoing effort by the United States Department of Labor - Office of Labor-Management Standards, to restore democratic practices to unions and uncover corruption by dishonest officials of organized labor in the New York City metropolitan area. We hope this will encourage union members and others with knowledge of illegal practices to come forward and expose corrupt leadership and assist in restoring open democratic practices to these organizations."

Mr. BHARARA praised the work of DOL-OLMS.

These cases are being prosecuted by the Office's Public Corruption Unit. Assistant United States Attorney RUA M. KELLY is in charge of the prosecution.

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